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IV UNITED STATES: Clinton/SE Asia

SUBJECT: The outlook for US policy towards the Indochinese and ASEAN countries under President Clinton.

SIGNIFICANCE: Clinton's domestic focus has exacerbated South-east Asian fears that China will take advantage of a power vacuum left by declining US attention to the region.

ANALYSIS: Notwithstanding the focus during the US election campaign on Clinton's activities during the Vietnam war, the lack of significant foreign policy debate between Bush and Clinton left the South-east Asian relationship even more neglected than other aspects of US policy. However, there are strong US economic and strategic links with the ASEAN countries, while in Indochina the prospect of normalising relations with Vietnam has recently become a realistic proposition, and the UN presence in Cambodia looms large as an ongoing problem for the international community. Moreover, increasing pressure on trade issues will affect the US stance towards almost all major Asian countries.

The ASEAN Countries

Following the signing of the Cambodian peace plan in October 1991, ASEAN has been attempting to increase its internal economic cooperation, with the introduction this month of the Common Effective Preferential Tariff, and ongoing efforts towards the establishment of a free trade area (see OADB, January 13, 1993, III). However, notwithstanding ASEAN's desire to encourage a continued US presence in the region -- to prevent China exploiting the power vacuum a retreat would leave -- there are important bilateral issues which will dominate US relations with Indonesia, Malaysia, Thailand and the Philippines. On the other hand, the relationship with Singapore will be little affected by the change of administration, while Brunei does not register high in the priorities of US foreign policy planners.

1. Indonesia. The Clinton administration is likely to take a tougher line than its predecessor on human rights issues, with continued Indonesian repression in the forcibly incorporated province of East Timor potentially coming under the spotlight. Significant congressional constituencies are now prepared to counter the standard State Department arguments, which emphasise US strategic and investment interests in Indonesia:

-- US strategic planners have stressed the importance of Indonesia's position in relation to the control of transport routes around the south-eastern rim of the Asian continent, while the country has also been supported as a bulwark of regional stability.

-- US companies have strong oil and manufacturing investment interests in the country.

In particular, Senator Pell of the Foreign Relations Committee

has worked hard to overcome this resistance to a tougher line on Indonesia. A military aid cut-off provision was included in the last foreign aid appropriations bill, and Indonesian interests remain vulnerable given a lack of solid Washington friends outside the oil lobby. The likelihood is therefore of increased congressional pressure on the question of alleged human rights violations in East Timor.

However, the Clinton administration could still act cautiously on human rights issues. The Carter administration's alienation of many East and South-east Asian regimes over human rights cases, notably concerning the treatment of opposition leader Benigno Aquino in the Philippines and Kim Dae-jung in South Korea was, together with the same approach in Latin America, a major cause of the negative reaction in domestic US politics toward the human rights policy. Clinton will want to avoid this reaction.

His administration is therefore likely to attempt to mollify congressional critics of Indonesia by asserting that their concerns will be communicated privately but effectively, whilst avoiding too public and high-handed an approach. Approaches to other internal Indonesian problems which may emerge, such as a troubled succession to Suharto, will focus on ensuring that constitutional proprieties are observed.

2. Malaysia. Increased international environmental advocacy will provoke sharp exchanges with South-east Asian countries, particularly Malaysia. Prime Minister Mahathir has been acutely sensitive to what he views as western environmental meddling. Moreover, he has taken the lead in proposals for an East Asian Economic Caucus, which would exclude the United States. Rhetoric critical of the United States has already been evident on both issues, and this could escalate if it is felt that Malaysia is coming under explicit US pressure.

3. Thailand. The most immediate issue in US-Thai relations concerns the degree of pressure which a Clinton administration would publicly apply to try to force the Thai military and its business associates to distance themselves from the Khmer Rouge. The aim would be to compel the Khmer Rouge to comply with the UN peace plan in Cambodia. However, the Clinton response is likely to be reactive only, resting chiefly on the amount of US media attention which Cambodia receives. If US public indignation is roused by the prospect of a UN humiliation being followed by a return to the killing fields, pressure will mount for a more forceful policy, notwithstanding the fact that it is likely to be too late and doomed to failure.

The other issue which the Clinton administration could raise more forcefully with the Thais would reflect the overall heightened emphasis on trade issues across the entire Asian region. Thailand has long sought to delay improvement of its protection of intellectual property rights. This approach has rankled with the United States, where consumer goods and entertainment industries have suffered extensive losses as a result of the

piracy of goods.

4. The Philippines. The Bush administration has already recast the US relationship with its former colony following the departure of its forces from Subic Bay and the Clark Air Field. The forward military presence in Asia now depends on an access strategy, with the Philippines retaining its importance by virtue of its guarantees of access to US ships for outfitting and rest and recreation.

Indochina

The pivotal US policy issues in Indochina concern relations with Vietnam and the UN operation in Cambodia:

1. Vietnam. Yesterday's report by Senator Kerry on the POW/MIA issue should help clear the last barrier to the lifting of the economic embargo on Vietnam. Despite suggestions that Clinton might adopt a tough stance on Vietnam to offset accusations of draft-dodging, it seems more likely that he will concur with recent State Department efforts to secure full diplomatic relations. He has little to gain from an obstructive stance, which would only refocus attention on doubts about his suitability to act as commander-in-chief.

However, in the longer term, the United States is unlikely to offer aid to Vietnam. The aid budget will be hard pressed by the need for fiscal restraint, and there is no congressional lobby to apply pressure on Vietnam's behalf. Perhaps more intriguing is the possibility of the United States, and in particular the Pentagon, sharing concerns with Vietnam about China's military capacity in the region. In addition to its clashes with Vietnam, China has also shown a willingness -- in both 1974 and 1988 -- to use force over the Spratly Islands dispute (see OADB, July 29, 1992, III).

2. Cambodia. The United States is unlikely to intervene to save the credibility of the UNTAC operation. US military action overseas has already increased dramatically in recent weeks with the intervention in Somalia and renewed clashes with Iraq. Moreover, Bosnia will remain a higher priority for US forces than Cambodia, particularly given Clinton's rhetoric on the campaign trail, while US memories of the dreadful cost of military involvement in Indochina remain fresh.

CONCLUSION: A marginally tougher line will be evident on human rights and trade issues, but continued US involvement in South-east Asia will avoid greater activism.

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